



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-105]

#### **Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2019-2020**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The U.S. Department of Commerce (Commerce) determines that countervailable subsidies are being provided to the producers and exporters subject to the administrative review of carbon and alloy steel threaded rod (threaded rod) from the People's Republic of China (China) during the period of review (POR) July 29, 2019, through December 31, 2020.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Thomas Schauer or Allison Hollander, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0410 or (202) 482-2805, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

On May 6, 2022, Commerce published the preliminary results of the 2019-2020 administrative review of the countervailing duty order on threaded rod from China.<sup>1</sup> This review covers two mandatory respondents, Zhejiang Junyue Standard Part Co., Ltd. (Junyue) and Ningbo Zhongjiang High Strength Bolts Co., Ltd. (Zhongjiang Bolts), and three non-examined producers or exporters of subject merchandise. We invited interested parties to comment on the

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<sup>1</sup> See *Carbon and Alloy Steel Threaded Rod From the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission of Administrative Review in Part; 2019-2020*, 87 FR 27104 (May 6, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

*Preliminary Results*.<sup>2</sup> On June 6, 2022, we received timely case briefs from Vulcan Threaded Products Inc. (the petitioner), Junyue, and Zhongjiang Bolts. On June 13, 2022, we received timely rebuttal briefs from the petitioner, Junyue, and Zhongjiang Bolts. For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>3</sup>

#### Scope of the Order<sup>4</sup>

The product covered by the *Order* is threaded rod from China. A full description of the scope of the *Order* is contained in the Issues and Decision Memorandum.

#### Analysis of Comments Received

All issues raised by interested parties in briefs are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues addressed in the Issues and Decision Memorandum is provided in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

#### Changes Since the *Preliminary Results*

Based on comments in case and rebuttal briefs and record evidence, Commerce made certain changes from the *Preliminary Results* regarding the calculation of wire rod and steel bar benchmarks and we have corrected several ministerial errors. As a result of these changes, the final rates for Junyue and Zhongjiang Bolts have changed and the rate for non-selected

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<sup>2</sup> See *Preliminary Results*, 87 FR at 27106.

<sup>3</sup> See Memorandum, "Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review of Carbon and Alloy Steel Threaded Rod from the People's Republic of China; 2019-2020," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>4</sup> See *Carbon and Alloy Steel Threaded Rod from India and the People's Republic of China: Countervailing Duty Orders*, 85 FR 19927 (April 9, 2020) (*Order*).

respondents also changed. These changes are explained in the Issues and Decision Memorandum.

### Methodology

Commerce conducted this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each subsidy program found to be countervailable, Commerce finds that there is a subsidy, *i.e.*, a financial contribution from a government or public entity that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>5</sup> For a full description of the methodology underlying all of Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to section 776(a) and (b) of the Act, *see* the Issues and Decision Memorandum.

### Companies Not Selected for Individual Review

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 705(c)(5) of the Act, which provides instructions for determining the all-others rate in an investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 705(c)(5)(A) of the Act, the all-others rate is normally an amount equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

There are three companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross owned with a mandatory respondent: (1) Ningbo Dingtuo Imp. & Exp. Co., Ltd.; (2) Ningbo Dongxin High-Strength Nut

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<sup>5</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Co., Ltd.; and (3) Ningbo Jinding Fastening Piece Co., Ltd. For these non-selected companies, because the rates calculated for the mandatory respondents, Junyue and Zhongjiang Bolts, were above *de minimis* and not based entirely on facts available, we are applying the weighted average of the net countervailable subsidy rates calculated for the mandatory respondents, which we calculated using the publicly-ranged sales data submitted by Junyue and Zhongjiang Bolts.<sup>6</sup> This methodology to establish the non-selected subsidy rate is consistent with our practice with regard to the all-others rate, pursuant to section 705(c)(5)(A)(i) of the Act.

#### Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(5), Commerce calculated the following net countervailable subsidy rates for the period July 29, 2019, through December 31, 2020:

<b>Company</b>	<b>Subsidy Rate – 2019 (percent <i>ad valorem</i>)</b>	<b>Subsidy Rate – 2020 (percent <i>ad valorem</i>)</b>
Ningbo Zhongjiang High Strength Bolts Co., Ltd. <sup>1</sup>	6.42	5.64
Zhejiang Junyue Standard Part Co., Ltd. <sup>2</sup>	5.09	5.79

#### **Review-Specific Average Rate Applicable to the Following Companies:**

Ningbo Dingtuo Imp. & Exp. Co., Ltd.	5.94	5.69
Ningbo Dongxin High-Strength Nut Co., Ltd.	5.94	5.69
Ningbo Jinding Fastening Piece Co., Ltd.	5.94	5.69

<sup>1</sup> In the original investigation, Commerce found Ningbo Zhongmin Metal Product Co., Ltd., to be cross-owned with Ningbo Zhongjiang High Strength Bolts Co., Ltd. *See Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 84 FR 36578 (July 29, 2019), and accompanying PDM, at 28, unchanged in *Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 85 FR 8833 (February 18, 2020). As the facts have not changed in this review, we continue to find Ningbo Zhongmin Metal Product Co., Ltd., to be cross-owned with Ningbo Zhongjiang High Strength Bolts Co., Ltd. *See also Preliminary Results PDM*.

<sup>2</sup> As discussed in the *Preliminary Results PDM*, Commerce finds the following companies to be cross-owned with Zhejiang Junyue Standard Part Co., Ltd.: Jiaxing Chengyue Trading Co., Ltd.; and Haiyan County Brothers Paper Industry Co., Ltd.

<sup>6</sup> With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010); *see also* Memorandum, "Administrative Review of the Countervailing Duty Order on Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Calculation of Rate for Respondents Not Selected for Individual Examination," dated concurrently with this notice.

### Disclosure

We intend to disclose the calculations performed in connection with the final results of review to parties in this proceeding within five days after public announcement of the final results or, if there is no public announcement, within five days of the date of publication of the notice of final results in the *Federal Register*, in accordance with 19 CFR 351.224(b).

### Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of these final results of review. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

### Cash Deposit Instructions

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of the final results of review, shall remain in effect until further notice.

### Administrative Protective Order

This notice also serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

Commerce is issuing and publishing the final results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

**Dated:** November 1, 2022.

**Lisa W. Wang,**  
*Assistant Secretary for Enforcement and Compliance.*

## Appendix

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
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- IV. Changes Since the *Preliminary Results*
- V. Non-Selected Companies Under Review
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  - Comment 2: Wire Rod and Steel Bar Benchmarks Calculation
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  - Comment 4: Whether Haiyan County Brothers Paper Industry Co., Ltd. (Brother Paper) Is Cross-Owned with Junyue
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- XI. Recommendation

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